

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

THE UNITED STATES OF AMERICA,

Plaintiff,

v.

D-1 TALAL KHALIL CHAHINE,

D-2 ELFAT EL AOUAR,

Defendants.

Case: 5:06-cr-20248

Assigned To: O'Meara, John Corbett

Referral Judge: Whalen, R. Steven

Filed: 05-10-2006 At 01:26 PM

INDI USA V. SEALED INDI (2 DFTS) TA

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VIO. 26 U.S.C. § 7201  
18 U.S.C. § 2

**INDICTMENT**

THE GRAND JURY CHARGES:

**General Allegations**

TALAL KHALIL CHAHINE, defendant herein, is and was at all times material to this Indictment the sole owner of La Shish, Inc., a Middle Eastern restaurant chain located in the metropolitan Detroit, Michigan area. TALAL KHALIL CHAHINE married ELFAT EL AOUAR, defendant herein, in August 2000. ELFAT EL AOUAR worked for La Shish, Inc. in various capacities including as the company's Vice President of Finance, and shared in assets and income produced by the restaurants. TALAL KHALIL CHAHINE and ELFAT EL AOUAR each personally

oversaw the handling and disposal of cash receipts and negotiable instruments for La Shish, Inc., as well as the company's computerized books, records and balance reports.

At the direction of TALAL KHALIL CHAHINE, and with the assistance and active participation of ELFAT EL AOUAR, La Shish, Inc. maintained a double set of computerized books, records and balance reports, one actual and one altered. The altered books, records and balance reports artificially reduced the amount of income in the form of cash that was actually received by the restaurants. To evade government scrutiny, and with the assistance and active participation of ELFAT EL AOUAR, TALAL KHALIL CHAHINE also directed that La Shish, Inc. fail to deposit a substantial amount of cash receipts from the restaurants. Instead, TALAL KHALIL CHAHINE and ELFAT EL AOUAR had La Shish, Inc. employees convert millions of dollars into cashier's checks and also change denomination size from smaller denominations into larger denominations. These conversions were made for the purpose of transporting the cash outside the United States to Lebanon, away from government reach and detection. TALAL KHALIL CHAHINE and ELFAT EL AOUAR also skimmed cash by paying employees of La Shish, Inc. all or partly in cash.

**COUNT ONE: Income Tax Evasion  
26 U.S.C. § 7201**

D-1 TALAL KHALIL CHAHINE

D-2 ELFAT EL AOUAR

1. The general allegations are hereby repeated and incorporated herein by reference.

2. From on or about January 1, 2000 through on or about April 15, 2001, within the Eastern District of Michigan, Southern Division, TALAL KHALIL CHAHINE, defendant herein, aided and abetted by ELFAT EL AOUAR, defendant herein, did willfully attempt to evade and defeat a large part of the income tax due and owing by TALAL KHALIL CHAHINE to the United States of America for the calendar year 2000, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent U.S. Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service, wherein he under stated his income by approximately \$4,093,846, upon which additional unreported income there was owing to the United States of America an additional unpaid income tax of approximately \$1,654,167, all in violation of Title 26, United States Code, Section 7201 and Title 18, United States Code, Section 2.

**COUNT TWO: Income Tax Evasion**  
**26 U.S.C. § 7201**

D-1 TALAL KHALIL CHAHINE

D-2 ELFAT EL AOUAR

1. The general allegations are hereby repeated and incorporated herein by reference.

2. From on or about January 1, 2001 through on or about April 15, 2002, within the Eastern District of Michigan, Southern Division, TALAL KHALIL CHAHINE, defendant herein, aided and abetted by ELFAT EL AOUAR, defendant herein, did willfully attempt to evade and defeat a large part of the income tax due and owing by TALAL KHALIL CHAHINE to the United States of America for the calendar year 2001, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent U.S. Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service, wherein he under stated his income by approximately \$4,581,669, upon which additional unreported income there was owing to the United States of America an additional unpaid income tax of approximately \$1,845,175, all in violation of Title 26, United States Code, Section 7201 and Title 18, United States Code, Section 2.

**COUNT THREE: Income Tax Evasion**  
**26 U.S.C. § 7201**

D-1 TALAL KHALIL CHAHINE

D-2 ELFAT EL AOUAR

1. The general allegations are hereby repeated and incorporated herein by reference.

2. From on or about January 1, 2002 through on or about April 15, 2003, within the Eastern District of Michigan, Southern Division, TALAL KHALIL CHAHINE, defendant herein, aided and abetted by ELFAT EL AOUAR, defendant herein, did willfully attempt to evade and defeat a large part of the income tax due and owing by TALAL KHALIL CHAHINE to the United States of America for the calendar year 2002, by preparing and causing to be prepared, and by signing and causing to be signed, a false and fraudulent U.S. Individual Income Tax Return, Form 1040, which was filed with the Internal Revenue Service, wherein he under stated his income by approximately \$4,735,385, upon which additional unreported income there was owing to the United States of America an additional unpaid income tax of approximately \$1,865,710, all in violation of Title 26, United States Code, Section 7201 and Title 18, United States Code, Section 2.

**COUNT FOUR: Income Tax Evasion**  
**26 U.S.C. § 7201**

**D-1 TALAL KHALIL CHAHINE**

**D-2 ELFAT EL AOUAR**

1. The general allegations are hereby repeated and incorporated herein by reference.

2. From on or about January 1, 2003 through on or about April 15, 2004, within the Eastern District of Michigan, Southern Division, TALAL KHALIL CHAHINE, defendant herein, aided and abetted by ELFAT EL AOUAR, defendant herein, did willfully attempt to evade and defeat income tax in the approximate amount of \$1,593,223 due and owing by him to the United States of America for the calendar year 2003, by failing to make an income tax return on or before April 15, 2004, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said income tax, and by concealing and attempting to conceal from the United States of America his true and correct income and the nature and extent of his assets and the location thereof, all in violation of Title

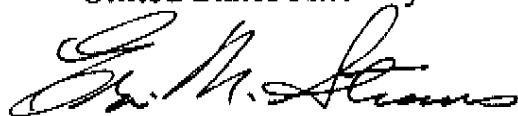
26, United States Code, Section 7201 and Title 18, United States Code, Section 2.

A TRUE BILL.

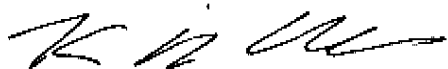
S/Grand Jury Foreperson

Dated: 5/10/06

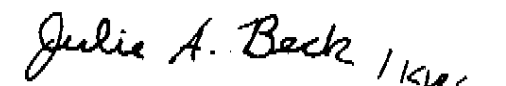
STEPHEN J. MURPHY  
United States Attorney



ERIC M. STRAUS  
Chief, Counter-Terrorism Unit



KENNETH R. CHADWELL  
Assistant United States Attorney

 1/16/06  
JULIE A. BECK  
Assistant United States Attorney

United States District Court  
Eastern District of Michigan

## Criminal Case Co

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NOTE: It is the responsibility of the Assistant U.S. Attorney signing this form to com

<b>Companion Case Information</b>	<b>Companion Case Number:</b>
This may be a companion case based upon LCrR 57.10 (b)(4) <sup>1</sup> :	<b>Judge Assigned:</b>
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>AUSA's Initials:</b> KIRC

**Case Title:** USA v. Talal Khalil Chahine, et. al.

**County where offense occurred :** Wayne

**Check One:** ☒ **Felony** ☐ **Misdemeanor** ☐ **Petty**

- ☒ Indictment X /Information no prior complaint.  
☐ Indictment    /Information    based upon prior complaint [Case number:   ]  
☐ Indictment    /Information    based upon LCrR 57.10 (d) [Complete Superseding section below].

### Superseding Case Information:

**Superseding to Case No:**    **Judge:**   

- ☐ Original case was terminated; no additional charges or defendants.  
☐ Corrects errors; no additional charges or defendants.  
☐ Involves, for plea purposes, different charges or adds counts.  
☐ Embraces same subject matter but adds the additional defendants or charges below:

**Defendant name**

**Charges**

5/10/06

Date



KENNETH R. CHADWELL  
Assistant United States Attorney

(313) 226-9698

Phone Number

<sup>1</sup> Companion cases are matters in which it appears that substantially similar evidence will be offered at trial or the same of related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.